

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 1 6

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

December 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

OBRA of 1989, Section 6402

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ -0-b. FFY 2001 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Please see attached listing

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Please see attached listing

10. SUBJECT OF AMENDMENT:

The Arkansas Title XIX State Plan has been amended to delete the obstetric/pediatric
procedure codes and rates in Attachment 4.19-B.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Ray Hanley14. TITLE:
Director, Division of Medical Services15. DATE SUBMITTED:
December 1, 2000

16. RETURN TO:

Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437Attention: Binnie Alberius
Slot 1103**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

12-06-00

18. DATE APPROVED:

02-12-01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEE BLOCK 4

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Cline

21. TYPED NAME:

CALVIN G. CLINE

22. TITLE: ASSOCIATE REGIONAL ASMINISTRATOR
Division Of Medicaid State Operations

23. REMARKS:

**ATTACHED LISTING FOR
ARKANSAS STATE PLAN
TRANSMITTAL #00-016**

**8. Number of the Plan
Section or Attachment**

Attachment 4.19-B, Page 1c

Attachment 4.19-B, Page 1d

None *(Delete)*

Attachment 4.19-B, Page 2a

Attachment 4.19-B, Page 2b

Attachment 4.19-B, Page 2c

Attachment 4.19-B, Page 2d

Attachment 4.19-B, Page 6a

None *(Delete)*

Attachment 4.19-B, Page 7h

Attachment 4.19-B, Page 14

**9. Number of the Superseded Plan
Section or Attachment**

Attachment 4.19-B, Pages 1c and 1d
(2 pages), Approved 7-30-97, TN 97-02

Attachment 4.19-B, Page 1e
Approved 8-6-90, TN 90-40

Attachment 4.19-B, Pages 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2ii and 2iii
(11 pages) ?

Attachment 4.19-B, Page 2j
Approved 6-23-94, TN 94-04

Attachment 4.19-B, Page 2k
Approved 8-26-98, TN 98-10

Attachment 4.19-B, Page 2L
Approved 6-23-94, TN 94-04

Attachment 4.19-B, Page 2m
Approved 10-19-94, TN 94-23

Attachment 4.19-B, Page 6a
Approved 7-30-97, TN 97-02

Attachment 4.19-B, Page 7h
Approved 7-30-97, TN 97-02

Attachment 4.19-B, Page 7i
Approved 1-18-95, TN 93-14

Attachment 4.19-B, Pages 14, 15, 16,
17, 18, 19, 20 and 21 (8 pages)
Approved 7-20-97, TN 97-02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-B
Page 1c

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: December 1, 2000

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- 4.a. Nursing Facility Services (other than services in an institution for mental diseases) for individuals 21 Years of Age or Older - SEE ATTACHMENT 4.19-D
- 4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found.
- (1) Reimbursement for Child Health Services (EPSDT) is based on the lesser of the billed amount or the Title XIX (Medicaid) maximum.

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DATE REC'D	12-06-00	
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HCFA 117	00-16	

SUPERSEDES: Attachment 4.19-B, Pages 1c and 1d
(2 pages), Approved 7-30-97, TN 97-02

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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ATTACHMENT 4.19-B
Page 1d

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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- 4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found. (Continued)
- (2) Apnea (Cardiorespiratory) Monitors - Reimbursement is based on the lesser of the provider's actual charges for the service or the Title XIX (Medicaid) maximum. The Title XIX maximum is based on 10% of the lowest purchase price. This is a rental only item.

Arkansas
12-06-00
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00-16

SUPERSEDED Attachment 4.19-B, Page 1e
Approved 8-6-90, TN 90-40

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: December 1, 2000

6. Medical Care and any other type of remedial care recognized under State Law, furnished by licensed practitioners with the scope of their practice as defined by State Law.

a. Podiatrists' Services

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum charge allowed. The Title XIX (Medicaid) maximum is 66% of the Physician's Blue Shield Fee Schedule dated October 1, 1993.

At the beginning of each calendar year, the State Agency will negotiate with the affected provider group representatives to arrive at a mutually acceptable increase or decrease from the maximum rate. Market forces, such as private insurance rates, medical and general inflation figures, changes in practice costs and changes in program requirements, will be considered during the negotiation process. Any agreed upon increase or decrease will be implemented at the beginning of the following State Fiscal Year, July 1, with any appropriate State Plan changes.

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DATE REC'D	<u>12-01-00</u>
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SUPERSEDES: Attachment 4.19-B, Page 2j
Approved 6-23-94, TN 94-04

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Page 2b

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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6. Medical Care and any other type of remedial care recognized under State Law, furnished by licensed practitioners with the scope of their practice as defined by State Law.

b. Optometrist's Services

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum allowed. Effective for claims with dates of services on or after March 1, 1997, the Title XIX (Medicaid) maximum reimbursement for optometrist services is the same as the physician rates for applicable services.

c. Chiropractors' Services

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum charge allowed.

Effective for dates of service on or after June 1, 1998, the current Arkansas Medicaid maximum of \$23.58 for procedure code A2000 (Manipulation of the Spine by Chiropractor) will be used to establish the reimbursement rate for each CPT procedure code for Chiropractic care. This care will be covered as described in the following procedure codes established by the American Medical Association (AMA) and published in their 1997 Physician's Current Procedural Terminology (CPT) Manual, or such procedure codes as AMA (or its successor) shall declare are replacements for, and successor to the following:

- 98940 Chiropractic manipulative treatment (CMT); spinal, one to two
- 98941 Chiropractic manipulative treatment (CMT); spinal, three of four regions
- 98942 Chiropractic manipulative treatment (CMT); spinal, five regions

Effective for dates of service on or after July 1 of each year, Arkansas Medicaid will apply an adjustment factor to the Medicaid maximum. To determine the adjustment factor a comparison between the previous and current year's Medicare rates will be made. The adjustment factor will be equal to the average adjustment made to the Medicare payment rates for all of the above CPT procedure codes as reflected in the current Medicare Physician's Fee Schedule.

d. Other Practitioners' Services

- (1) Hearing Aid Dealers - Refer to Attachment 4.19-B, Item 4.b. (10).
- (2) Audiologist - Refer to Attachment 4.19-B, Item 4.b. (11).
- (3) Optical Labs - Based on contract price. Established through competitive bidding.
- (4) Nurse Anesthetists - Reimbursement is based on 80% of the Medicaid Physician Fee Schedule.

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A

SUPERSEDES: Attachment 4.19-B, Page 2k
Approved 8-26-98, TN 98-10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised:

December 1, 2000

6.d. Other Practitioner's Services (Continued)

(5) Psychologist Services

Refer to Attachment 4.19-B, Item 4.b. (17).

(6) Obstetric-Gynecologic Nurse Practitioner Services

Reimbursement is the lower of the amount billed or the Title XIX maximum allowable.

The Title XIX maximum is based on 80% of the physician fee schedule except EPSDT procedure codes. Medicaid maximum allowables are the same for all EPSDT providers. Immunizations and Rhogam RhoD Immune Globulin are reimbursed at the same rate as the physician rate since the cost and administration of the drug does not vary between the nurse practitioner and physician.

Refer to Attachment 4.19-B, Item 27, for a list of the nurse practitioner pediatric and obstetrical procedure codes.

7. Home Health Services

- a. Intermittent or part-time nursing services furnished by a home health agency or a registered nurse when no home health agency exists in the area;
- b. Home health aide services provided by a home health agency; and
- d. Physical therapy

Reimbursement on basis of amount billed not to exceed the Title XIX (Medicaid) maximum.

The initial computation (effective July 1, 1994) or the Medicaid maximum for home health reimbursement was calculated using audited 1990 Medicare cost reports for three high volume Medicaid providers, Medical Personnel Pool, Arkansas Home Health, W. M. and the Visiting Nurses Association. For each provider, the cost per visit for each home health service listed above in items 7.a.b. and d. was established by dividing total allowable costs by total visits. This figure was then inflated by the Home Health Market Basket Index in Federal Register #129, Vol. 58 dated July 8, 1993- inflation factors: 1991 - 105.7%, 1992 - 104.1%, 1993 - 104.8%. The inflated cost per visit was then weighted by the total visits per providers' fiscal year (i.e., the visits reported on the 1990 Medicare cost reports) to arrive at a weighted average visit cost.

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SUPERSEDES: Attachment 4.19-B, Page 2L
Approved 6-23-94, TN 94-04

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised:

December 1, 2000

7. Home Health Services (Continued)
a. b. and d. (Continued)

For registered nurses (RN) and licensed practical nurses (LPN) the Full Time Equivalent Employees (FTEs) listed on cost report worksheet S-1, Part II, were used to allocate nursing costs and units of service (visits). It was necessary to make these allocations because home health agencies are not required by Medicare to separate their registered nurses and licensed practical nurse costs or visits on the annual cost report.

RN and LPN salaries and fringes were separated using an Office of Personnel Management Survey, which indicated that RNs, on an average, are paid 36% more than licensed practical nurses. Conversely, if RNs are paid 36% more than LPNs, then LPNs are paid, on an average, 73.5% of what RNs earn. Cost report salaries and fringes were allocated based on 100% of RN FTEs and 73.5% of LPN FTEs. Other costs and service units (visits) were allocated based on 100% of RN FTEs and 100% of LPN FTEs. RN and LPN unit service (visit) costs were then inflated and weighted as outlined above.

Since home health reimbursement is based on audited costs, the home health rates will be adjusted annually by the Home Health Market Basket Index. This adjustment will occur at the beginning of the State Fiscal Year, July 1. Every third year, the cost per visit will be rebased utilizing the most current audited cost report from the same three providers and using the same formula described above to arrive at a cost per visit inflated through the rebasing year. (The first rebasing will occur in 1996 to be effective July 1, 1997.)

- c. Effective for dates of service on or after October 1, 1994, medical supplies, equipment and appliances for use by patient in their own home - Reimbursement is based on 100% of the Medicare maximum for medical supplies reflected in the 1993 Arkansas Medicare Pricing File not to exceed the Title XIX coverage limitations as specified in Attachment 3.1-A and Attachment 3.1-B, Item 12.c.7.

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SUPERSEDES: Attachment 4.19-B, Page 2m
Approved 10-19-94, TN 94-23

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ATTACHMENT 4.19-B
Page 6a

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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17. Nurse Midwife Services

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum. The Title Maximum for nurse-midwife services was established based on 80% of the current physician Medicaid Maximum. Rhogam RhoD Immune Globulin is reimbursed at the same rate as the physician's rate since the cost and administration of the drug does not vary between the nurse midwife and physician.

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SUPERSEDES: Attachment 4.19-B, Page 6a
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21. Ambulatory prenatal care for pregnant women furnished during a presumptive eligibility period by a qualified provider (in accordance with section 1920 of the Act.)

Reimbursement for these services is described in Attachment 4.19-B, e.g. outpatient hospital, physician services, etc.

22. Respiratory care services (in accordance with section 1920(e)(9)(A) through (C) of the Act).

Not provided.

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DATE USE	<u>12-01-00</u>	
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SUPERSEDES: Attachment 4.19-B, Page 7i
Approved 1-18-95, TN 93-14

MEDICAL ASSISTANCE PROGRAM
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27. Pediatric or family nurse practitioners' services as defined in Section 1905 (a) (21) of the Act (added by Section 6405 of OBRA '89)

Reimbursement is based on the lower of the amount billed or the Title XIX maximum allowable.

The Title XIX maximum is 80% of the physician fee schedule except EPSDT procedure codes. Medicaid maximum allowables are the same for all EPSDT providers. Immunizations and Rhogam RhoD Immune Globulin are reimbursed at the same rate as the physician rate since the cost and administration of the drug does not vary between the nurse practitioner and physician.

Refer to Attachment 4.19-B, Item 6.d.(6) for obstetric-gynecologic nurse practitioner reimbursement.

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17, 18, 19, 20 and 21 (8 pages)
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